



**PURPOSE:** To document the Virginia Information Technologies Agency's implementation of the Small Purchase Charge Card Program within VITA.

**SCOPE:** All VITA Employees

**STATEMENT OF**

**POLICY:** The Small Purchase Charge Card (SPCC) Program is intended as an alternate method for procuring goods and services and simplifying the payment process. The program reduces the number of accounts payable transactions by consolidating multiple vendor invoices into one monthly invoice from the SPCC vendor.

The SPCC shall only be used to purchase low dollar goods and services for VITA operations, maintenance and repairs with a \$5,000 limit per transaction. Use of the card for personal items, cash advances, business travel expenses, PCs, servers or printers is not permitted. Individual cardholders may not purchase goods or services for other divisions. For example, a cardholder in Financial Management Services cannot purchase items for an employee in Business Systems Services. The lone exception to this is the buyers in Supply Chain Management (SCM), Purchasing Operations. In order to maximize the reduction in administrative costs, card users are encouraged to make concerted efforts to utilize vendors who will accept the SPCC.

The SPCC shall not be utilized to circumvent the requirements of the Agency Procurement and Surplus Property Manual or VITA's Guide to Technology Procurement. All purchases shall be made in accordance with the Virginia Public Procurement Act (VPPA) and the policies and procedures outlined in VITA Policy 3.01, Procurement of Goods and Services.

**The intent of the Small Purchase Charge Card is to allow agencies to obtain low dollar goods and services quickly and conveniently. By using the card, the Commonwealth is able to issue fewer checks and hold down administrative costs. In addition, the Commonwealth ecommerce system known as eVA, allows agencies to find items within an email. As eVA grows, the Commonwealth will be able to use the data gathered from eVA to leverage the Commonwealths buying power.**

**As a result of these initiatives, it shall be the responsibility of each Division Director to appoint one or more individuals as holders of the Small Purchase Charge Card. These individuals will be allowed to make small purchases, under \$5,000, for goods and services in accordance with this policy. Each card holder will be trained in the use of eVA. All purchases that are normally made online shall be done in eVA. The only exception to this will be when the card holder actually goes to the place of business and picks up the item and pays at the location.**



By virtue of position, the SCM Purchasing Operations Manager (PO Manager) will serve as the VITA Corporate SPCC Program Administrator. The authorization form (See Attachment A) must be completed and forwarded to the Department of Accounts.

#### PROCEDURE:

##### A. Card Issuance, Cancellation and Changes.

An SPCC will be issued to each individual who has been designated by his or her Division Director. The Division Director shall provide documentation to the PO Manager supporting the justification for issuing the SPCC, including an analysis of the potential type and level of activity and justification for per transaction and monthly limits. Division Directors shall submit the SPCC Corporate Purchasing Card Request form (Attachment B) to the PO Manager. Currently these limits are \$5,000 per transaction and \$100,000 total expenditures per month. The SPCC is issued in the name of the designated individual. The cardholder must sign an Employee Agreement form before obtaining the SPCC (Attachment C) by which the individual agrees to comply with the term and conditions associated with the use of the SPCC.

Upon completion of the Employee Agreement, the PO Manager will assist the employee in completing an Application for the SPCC (Attachment D). This form is submitted to the SPCC vendor. The employee should receive the card in 7 to 14 days. Upon request by the agency or upon termination of employment, each cardholder must return the SPCC to the PO Manager. Additionally, when any changes to an existing SPCC are necessary, the PO Manager should be contacted. When a new SPCC is required, the cardholder should receive the replacement card within 7-10 business days.

##### B. Security:

Authorization of the use of the SPCC is granted only to the person in whose name the card is issued. The SPCC shall not be loaned to another person.

The SPCC shall be kept in an accessible but secure location. The account number on the SPCC shall not be posted or left in a conspicuous place.

If a cardholder's SPCC is lost or stolen, the cardholder must immediately notify the PO Manager.

##### C. General Requirements For Card Usage:

In order for spending limits and purchasing activity to be monitored and reconciled to the monthly SPCC statements, each cardholder must maintain a separate log of all purchases made with the SPCC (Attachment E). A new purchasing log sheet shall be created for each billing cycle in which there is purchasing activity.

To use the card, the cardholder must:

1. Attempt to purchase the good or service through eVA, which is the online procurement system administered by DGS/DPS. A SPCC cardholder can



2. place orders through eVA with suppliers that accept the SPCC. (For eVA training, please contact the PO Manager.)
3. Call or go to the supplier's place of business and place your order. Give the supplier the account number and expiration date of your SPCC and notify the vendor of the State's non-taxable status. The supplier will verify the account number with the SPCC vendor and the spending limit will be checked electronically for compliance with applicable limits.
4. Retain all documentation pertaining to the purchase. When the supplier delivers the order, documentation of the purchase (such as a sales receipt, packing slip, or invoice) should accompany the order. This documentation must be kept in the file for reconciliation to the monthly charge statement. This document will be forwarded at the end of each billing cycle to the Accounts Payable Section of the Finance and Accounting Division along with the purchasing log.
5. Enter the purchase information in your cardholder's purchasing log at the time of the purchase (Attachment E).

D. Returns, Credits, and Disputed Items:

In most cases, disputes can be resolved directly between the cardholder and the supplier of the goods or services. The cardholder must use the following guidelines when returning an item:

1. If an item needs to be returned for any reason, the cardholder should send the item back to the supplier in the manner agreed upon.
2. The supplier should issue a credit for items that are returned. This credit will appear on a subsequent SPCC statement.
3. Documentation of the return (such as a credit receipt) should be issued by the supplier and all documentation pertaining to the return must be kept on file for reconciliation to the monthly SPCC statement. Items purchased at a vendor's location cannot be returned for an in-store credit. Items returned must be credited against the card.
4. The return should be entered in your cardholder's purchasing log.
5. If the cardholder and the supplier cannot resolve an issue, the cardholder should contact the SPCC vendor. The SPCC vendor will investigate the dispute on the cardholder's behalf and assist in the resolution. A temporary credit will be issued pending final resolution.

E. Reconciliation Of The SPCC Statement:

Each cardholder is responsible for maintaining documentation to substantiate each purchase and return with the aid of the purchasing log and reconciling their purchase to the monthly SPCC statement. The following guidelines are to be used for monthly reconciliation:

1. Each cardholder will receive a monthly SPCC statement that must be compared to the purchasing log to verify that each purchase and return is accurately listed on the statements.



2. All documentation pertaining to purchases and returns must be compared with and matched to detailed transactions listed in the SPCC statement.
3. Discrepancies shall be noted in the purchasing log for subsequent resolution.
4. The SPCC Statement, Purchasing Log, and the Statement Cover Sheet (Attachment F) must be forwarded to Accounts Payable within three (3) working days of receipt of the SPCC Statement. The Statement Cover Sheet must be signed by the cardholder and approved by the cardholder's Division Director.
5. All supporting documentation pertaining to the purchases and returns on the statement shall be included with the Purchasing Log and sent to Accounts Payable. These records will be kept for five years in accordance with the VITA Records Retention policy.
6. If the cardholder had no purchases, they should notify the VITA Accounting Manager in writing of this fact.

F. Mandatory Sources:

Cardholders may not purchase goods and services from SPCC vendors that are already offered by Correctional Enterprises, Department for the Visually Handicapped, VDOT, DPS/Virginia Distribution Center or the DGS Office of Graphic Communications. None of these mandatory supply sources accept the SPCC. See Attachment G.

G. Audit:

Cardholders can use the list of Do's and Don'ts (Attachment H) as a guide to ensure effective audits. SPCC cardholder's purchasing activity will be subject to periodic audits by the SCM staff. Sample Audit procedures are outlined in Attachment I.

ASSOCIATED  
PROCEDURE:

VITA Policy 3.01, Procurement of Goods and Services.

AUTHORITY  
REFERENCE:

CAPP Manual, Section 20355, "Purchasing Charge Card"  
APSPM, Section 5.2, "Charge Cards for Small Purchases" Text

OTHER  
REFERENCE:

N/A



**ATTACHMENT A**  
**AMERICAN EXPRESS**  
**CORPORATE PURCHASING CARD**  
  
**DELEGATION OF AUTHORITY**

**Corporate SPCC Master Account No.: 3787 – 3 \_\_\_\_\_ - \_\_\_\_\_**

I, VITA CIO, an Authorizing Officer of the Virginia Information Technologies Agency (the "Agency") hereby authorize the following individual(s) to act on behalf of the Agency in authorizing the applications of Agency employees for an American Express Corporate Purchasing Card on the Agency's Account indicated above.

***AUTHORIZED PROGRAM ADMINISTRATOR***

The individual listed below is hereby designated as an Authorizing Officer for this limited purpose only. It is understood by the Agency that this delegation of authority constitutes acceptance by the Agency of the terms and conditions of the Corporate SPCC Account Agreement for each applicant so authorized pursuant to this Agreement.

\_\_\_\_\_  
Authorizing Officer\* (Please Print)

\_\_\_\_\_  
Designee\*\*\* (Please Print)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

\_\_\_\_\_  
Telephone Number

\_\_\_\_\_  
Telephone Number

\* Agency Head or Designee

\*\*\* Agency Procurement Director or Designee



ATTACHMENT B

## American Express Corporate Purchasing Card Request

Date of Request : 06/02/04

Agency Organizational Unit : **Virginia Information Technologies Agency** Cost Center :

To : **Timothy Moore** From : Program Administrator Unit Manager / Supervisor

***A purchasing charge card is hereby requested for the following employee under my supervision.***

Name as it should appear on the card:

Employee's Job Title:

Employee's Work Phone:

Agency Code:

Work Mailing Address:  
(Includes both USPS and Package delivery

110 South Seventh Street, 3rd Floor  
**Richmond, VA 23219**

Information)

I hereby certify that I have examined this employee's duties and estimate that the purchasing card will be used for transactions per month at a dollar value range of: to **[NOTE: A "transaction" is one order placed with a vendor who accepts the card.]** Based on these estimates, I am requesting limits of per transaction (not to exceed \$5,000) and total per month (not to exceed \$100,000) be placed on this card. I will examine this cardholder's activities at least annually and provide written recommendations regarding limit changes. I further certify that I will review and approve this cardholder's transactions and supporting documentation on a monthly basis. approximately per transaction.

### Signature Section

Supervisor's Signature: Date:

Supporting Documentation  
Attached: AEXREQv3.FRP  
12/01



ATTACHMENT C

**Virginia Information Technologies Agency**

Small Purchase Charge Card  
Employee Agreement

I, \_\_\_\_\_, **acknowledge receipt of an American Express Charge Card.** As a Cardholder, I agree to comply with the following terms and conditions regarding my use of the SPCC:

1. I understand that I am being entrusted with a valuable purchasing tool and will be making financial commitments on behalf of my agency and will strive to obtain the best value for the agency by using any "preferred suppliers" as identified by the Purchasing Department.
2. I understand that my agency is liable to the SPCC vendor for all charges made on the SPCC.
3. I agree to use the SPCC for approved purchases, and agree not to charge personal purchases. I understand that my agency will review the use of the SPCC and the related management reports and take appropriate action on any discrepancies.
4. I will follow the established procedures for the use of the SPCC. Failure to do so may result in either revocation of my privileges or other disciplinary actions, including termination of employment.
5. I agree to return the SPCC immediately upon request or upon termination of employment. Should there be any organizational change, which causes my cost center to likewise change, I also agree to return my Card and arrange to obtain a new one, if appropriate.
6. If the Card is lost or stolen, I agree to notify the SPCC Administrator and the SPCC vendor immediately.
7. I understand that my authority is limited to \$\_\_\_\_\_per transaction and expenditures are limited to \$\_\_\_\_\_per month.
8. I understand that in order to properly purchase goods and services through the internet, the vendor must have a Secure Socket Layer (SSL) Version 2.0 or greater. To ensure the vendor has a SSL, the address window must start with https://. I will record the vendor's website address on the purchasing log.

\_\_\_\_\_  
Employee Signature/Date

\_\_\_\_\_  
Agency and Cost Center

\_\_\_\_\_  
Employee Social Security Number

\_\_\_\_\_  
Division Director Signature/Date

\_\_\_\_\_  
Agency Address

\_\_\_\_\_  
SPCC Administrator Signature/Date





ATTACHMENT D

THE  
AMERICAN  
EXPRESS  
CORPORATE  
CARD  
PROGRAM

Employee:  
Please complete  
and send to  
Program  
Administrator

Program  
Administrator:  
Send completed and  
signed form to:  
American Express  
P.O. Box 53611  
Phoenix, AZ  
85072 - 3611  
or  
fax to  
623 492-1777

## Application for the American Express Corporate Card

### APPLICATION INFORMATION - PLEASE COMPLETE ALL ITEMS BELOW FOR TIMELY PROCESSING

Name as you would like it to appear on the Corporate Card (20 characters only, including spaces)

Virginia Information Technologies Agency

Company Name

110 South Seventh Street, Third Floor

Billing Address (20 characters only, including spaces)

Richmond

VA

23219

City (17 characters only, including spaces)

State

Zip Code

### CARD MEMBER INFORMATION

0

Cost Center Number

(804) 000-0000

Business Phone Number

Social Security Number  
(Optional)

### SPENDING LIMIT INFORMATION

Transaction Limit

\_\_\_\_ %

Variance on Transaction Limit  
(Whole numbers only)

Monthly Limit

\_\_\_\_ %

Variance on Monthly Spending Limit  
(Whole numbers only)

PSL Threshold Limit

### INDUSTRY RESTRICTIONS

(Please check all industry categories where card usage should be blocked.)

Accommodations ☐

Car Rental ☐

Oil / Gas ☐

Restaurant ☐

Travel ☐

### PROGRAM ADMINISTRATOR

3787-311826-91000

Basic Control Number (If not provided application processing will be delayed)

Authorizing Signature

Date

By signing above, Program Administrator authorizes American Express to issue to the Company employee identified above a Corporate Purchasing Card on the Company's CPC account.

Timothy W. Moore

Purchasing Administration Division Manager

(804) 371-5972

PRINT Authorizer's Name

Title

Phone Number





ATTACHMENT E

**Virginia Information Technologies Agency**

American Express Purchase Log Sheet

Cardholder: \_\_\_\_\_

Cost Center Number: \_\_\_\_\_

Cost Center Name: \_\_\_\_\_

From: \_\_\_\_\_ To \_\_\_\_\_

Card Number: \_\_\_\_\_

<b>Order Date</b>	<b>Vendor</b>	<b>Description of Purchase</b>	<b>Cost Center</b>	<b>Object Code</b>	<b>Amount</b>	<b>Date Received</b>	<b>Initials</b>	<b>Remarks</b>



**ATTACHMENT F**  
**Virginia Information Technologies Agency**  
**Statement Cover Sheet for Payment**  
**To \_\_\_\_\_ (name of card)**

Cost Center Name: \_\_\_\_\_

Cardholder Name: \_\_\_\_\_

Card Number: \_\_\_\_\_

Statement Closing Date: \_\_\_\_\_

Total Payment Amount: \_\_\_\_\_

"I hereby certify that this payment is for goods and services purchased using an authorized American Express Corporate SPCC. These goods and services were purchased for official VITA business purposes and were purchased and received in accordance with State regulations."

**Cardholder Signature:** \_\_\_\_\_

Division Director Signature: \_\_\_\_\_

Cost Center	Code	Amount



## **ATTACHMENT G**

### **MANDATORY SOURCES**

#### **State Contracts**

- See Contract Master List

#### **Virginia Correctional Enterprises**

- Furniture
- Office Systems
- Cleaning Products
- Textiles, Clothing
- Data Services
- Envelopes
- Letterhead
- Binders

#### **Virginia Industries for the Blind**

- Writing Instruments

#### **Virginia Distribution Center**

- Staple Foods/Canned and Dry
- Frozen Foods
- Perishable Foods
- Kitchen Supplies/Cutlery/Coolers
- Paper, plastic products, and Related Items
- Janitorial Products
- Laundry Products



- Textiles, Household Lines
- Salt/Ice melt (Except Table Salt)
- Paint Supplies
- Flags/Flag Accessories
- Library Supplies/Envelopes
- Forms/Fuses

### **Office of Graphic Communications**

- Graphic Design Services
- Desktop Publishing
- Camera Ready Artwork



## ***SMALL PURCHASE CHARGE CARD PROGRAM***

### **DO'S AND DON'TS**

#### **DO'S**

1. Do use the card to make purchases for goods and services up to \$5,000 per transaction.
2. Do use the card for approved purchases only.
3. Do retain all documentation pertaining to purchases.
4. Do enter the purchase information in your cardholder's purchasing log.
5. Do document all returns.
6. Do enter all returns in your cardholder's purchasing log.
7. Do reconcile all purchases and returns to the monthly SPCC statement.
8. Do forward the SPCC statement and the statement cover sheet to Accounts Payable within three (3) days of receipt of the SPCC statement.

#### **DON'TS:**

1. Don't use the SPCC for personal purchases.
2. Don't use the card for travel expenses.
3. Don't use the card for Automated Data Processing (ADP) purchases unless an APR has been approved in advance.
4. Don't use the card to circumvent mandatory sources (Attachment F).

## **Small Purchase Charge Card Review Procedures**

- 1. Go to Accounts Payable on a monthly basis and pull the previous month's bill. Select two cardholder's bills per month to review. In selecting the cardholder, consider the balance, the activity, the previous review, and whether the person is a new cardholder.**
- 2. For the cardholders selected, perform the following steps:**
  - a) Reconcile the transactions with the log and the bill.**
  - b) Check to see that a receipt or other documentation of the transaction, such as a copy of the online page from a website order, is attached to the log for each transaction.**
  - c) Determine that the purchase was in accordance with State and VITA purchasing guidelines.**
  - d) Check to see that the cardholder is accurately completing the cover sheet.**
    - Account/object codes are combined**
    - Verify that totals match**
    - Verify that proper object codes are used**
    - Verify that credits are properly shown**
- 3. Meet with the cardholder. Ensure that the card is kept in a secure place. Find out if others have access to the card. Discuss any problems the cardholder may have with AMEX.**

Small Purchase Charge Card Review Sheet  
Date of Review \_\_\_\_\_

Cardholder's Name \_\_\_\_\_

Billing Month Reviewed \_\_\_\_\_

Check for the following:

Circle One

- |   |        |
|---|--------|
| 1. Log of transactions                                    | Yes/No |
| 2. Receipt or record of each transaction                  | Yes/No |
| 3. Purchases are in accordance with policy and procedure. | Yes/No |
| 4. Note below any exceptions.                             |        |

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5. Check to see that the cardholder is accurately completing the cover sheet.

- |  |        |
|--|--------|
| ▪ Account/object codes are combined        | Yes/No |
| ▪ Verify that totals match                 | Yes/No |
| ▪ Verify that proper object codes are used | Yes/No |
| ▪ Verify that credits are properly shown   | Yes/No |

- |  |        |
|--|--------|
| 6. Meet with the cardholder. Is card in a secure location? | Yes/No |
| 7. Do other users have access?                             | Yes/No |

Note any problems the cardholder may be having:

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Review conducted by: \_\_\_\_\_





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